

## Financial Rewards as correlate Job Satisfaction of Business Educators in Colleges of Education in Edo and Delta States, Nigeria

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The study examined financial and rewards as correlates of business educators' job satisfaction in colleges of education in Edo and Delta States. To guide this study, three research questions were raised while three hypotheses were formulated and tested at 0.05 level of significance. The correlational research design was employed in the study. The population was made up of 121 business educators in colleges of education in Edo and Delta States. The entire population of 121 was used for the study. The research instrument that was used to collect data for this study was a questionnaire titled "Financial Rewards Assessment Questionnaire" (FRAQ), it has two sections. Section A consists of personal data of business educators such as sex, working experience and marital status, while section B consists of 21 items divided into 3 clusters to measure financial rewards on job satisfaction. The research instruments were face and content validated by three experts. Cronbach Alpha statistics was used to ascertain the internal consistency of the instrument and a reliability coefficient of 0.79 was obtained. For data collection, the questionnaire was administered by the researcher with the help of five research assistants. Pearson product moment correlation co-efficient was used to test hypotheses at 0.05 level of significance. The findings of the study revealed that financial rewards significantly influence job satisfaction of Business Educators in Colleges of Education in Edo and Delta States. The researcher recommended that government and college management should ensure that variables such as salary, medical benefits and retirement benefits be adequately provided in colleges of education.

**Keywords:** Financial rewards, job satisfaction, business educators, colleges of education.

### Introduction

Job satisfaction has been demonstrated to be closely related to job commitment, employee turnover, job effectiveness, productivity, and burnout. It is generally believed that the relevance of job satisfaction and motivation are very crucial to the long-term growth of any educational system, as they probably rank alongside professional knowledge and skills, competencies, educational resources and strategies as determinants of educational success and attainment. Job satisfaction means doing the work one likes, doing it well and being rewarded for own efforts (Aziri, 2011). Job satisfaction is the extent to which a worker is happy with the financial and non-financial rewards available in his or her job. Raziq and Maulabakhsh (2015) defined job satisfaction as an essential way of motivating employees and encouraging them to achieve better results. Job

satisfaction is that which gives a business educator a sense of achievement and success which is generally perceived to be directly linked to particular achievement as well as productivity in the job of a business education teacher.

The job of business teachers in colleges of education in Nigeria is guided by the objects outlined by the National Commission for Colleges of Education (NCCE, 2008). The objectives for the Nigeria Certificate in Education (NCE) business education as enumerated by NCCE (2008) are:

- (i) To produce well quality and competent NCE graduates in business subjects who will be suitable to educate business subjects in our secondary schools and other affiliated educational institutions.
- (ii) To produce NCE business teachers who will be suitable to inculcate the vocational aspect of business education into the society.

- (iii) To produce NCE business teachers who will assist in the much desired revolution of vocational development right from the primary and secondary education.
- (iv) To equip graduates with the right skills that will enable them to engage in a life of work in the office as well as for self-employment.
- (v) To equip NCE students with necessary capabilities so as to qualify them for a post-NCE degree programme in business education.

According to Adukuw (2016) business education is a programme designed to meet basic skills, knowledge and capabilities of beneficiaries to function, either as business teachers or business executives. Business education is a programme offered in tertiary institutions which prepare students for careers in business. It is a vocational programme that is skill-oriented and equips its graduates with merchantable skills. Those employed to teach in this programme are called business educators. The achievement of the objectives of NCE business education programme is a function of adequate job satisfaction of business educators in colleges of education. The focus of a business educator is to impart the necessary skills and knowledge needed by students to become business professionals. This has helped in achieving the mandates of the National Commission for Colleges of Education (NCCE) in Nigeria. Business educators teach their students business-related courses in accounting, office technology management, human resources development, marketing, management and entrepreneurship. Business educators in colleges of education as part of their task performance develop and

deliver lectures. In addition, they assess student academic performance regularly, develop an organized instructional plan to provide good learning experience for the students, ensure that the learning materials are relevant, complete and accurate and maintain documentation for students' academic attendance. For their professional growth they write and publish scholarly articles, attend educational workshops, professional development trainings and other professional growth activities.

To meet the needs of competent business educators in colleges of education, for effective programme delivery, the rewards in colleges of education ought to be competitive and fair in distribution or administration of such rewards. Management of colleges of education ought to articulate the pattern of reward to business educators adequately to prevent job dissatisfaction. A lot of factors have influenced the level of business educators job satisfaction, like inadequate infrastructure, delay in payment of salaries, and inadequate fringe benefits. Reports from the National Commission for Colleges of Education (NCCE, 2012) revealed that while the numbers of Colleges of Education are increasing, the numbers of qualified lecturers are not increasing proportionately. There has been constant mobility of these highly skilled persons (business educators) from one college of education to another and to other public sectors for better remuneration and conducive working environments. This may be due to the financial reward available in these colleges.

Financial rewards are money given to employees in exchange for work. Financial

rewards include fringe benefits, retirement benefits, conditions of service and salary. Salary refers to a form of periodic financial payment provided to an employee by his employer, which is usually stated in the employment contract. Salary is a fixed amount of money or compensation paid to an employee by an employer in return for work performed. Salary helps to improve the job satisfaction and commitment of an employee. The major factor that affects the job commitment and satisfaction of business educators in colleges of education in Edo and Delta States is salary. Business educators in Colleges of Education in Edo and Delta states are currently facing challenges of non-regular payment of salaries and disparity in salary and allowances which may result into job dissatisfaction. Dissatisfaction with salaries is one of the factors undermining the commitment of business educators to their institutions and consequently their decision to leave the job. This is because there seems to be a relationship between salary and job satisfaction. Judge, Piccolo, Podsakoff, Shaw and Riche (2010) established positive and significant relationship between salary and job satisfaction, while Salisu, Chinyio and Suresh (2015) observed that the salary paid to public sector workers and teachers in Nigeria has no significant relationship with job satisfaction.

In addition to salary, business educators expect the institution to provide fringe benefits like medical benefits to cater for their medical bills. Fringe benefit is seen as elements of remuneration given to employees in addition to their salary like housing, transport, leave bonus, insurance, retirement

benefit and medical benefits. Medical benefit is a form of fringe benefit that includes the entire medical care that one requires to preserve, promote, and restore one's health. Medical benefits offer additional medical and surgical services like: Physical therapy, surgeries, critical care, mental health and orthopedic services and so on. Adequate provision of medical benefits to business educators prevent dissatisfaction among them that may encourage them to leave these institutions to join private multinational companies or other organizations with adequate medical and retirement benefits. Lahman (2014) who stressed that an increase in employees medical benefit would actually generate an increase in job satisfaction. This is so because an institution that provides medical benefits for its employees would increase their job satisfaction. While Obalum and Fiberesima (2012), asserted that the Nigerian employees place value on employers who grant medical allowances as incentive.

Retirement benefit is also a form of fringe benefit like pension and gratuity that are provided for retirees' welfare. Retirement and pension benefits are given to a retired employee in order to provide for a constant income and a secured life. The retirement benefit consists of the employees' leave encashment, retirement gratuity, and the contributory pension scheme which was established under the pension reform act 2004. This new act, the contributory pension scheme in 2014 made it mandatory for a minimum contribution of ten and eight percent by the employer and employee respectively to be credited to the employee's PFA account on

monthly basis. Each employee is to open a retirement savings account (RSA) with a pension fund administrator (PFA) licensed by the National Pension Commission, into which the contributions are to be paid. The PFA is to manage and invest the fund in the retirement savings account, from where a contributor will draw benefits on retirement. This money contributed will serve as the backbone of the employee's retired life. Using this amount wisely will alleviate the need to depend on others for their financial expenses. Employees' retirement benefits are determined based on years of labour or on number of years spent on the position occupied (Yeji & Yoon, 2016). Business educators have keen interest in their retirement benefits, since this will help to take care of their expenses on retirement. The inability for any organization to make provision for the retirement benefits of its employees could trigger dissatisfaction and lack of job satisfaction of the employees. Zirra, Charles, and Anyatonwu (2019) found that there is significant relationship between gratuity payment which is part of retirement benefits and job satisfaction of workers in Nasco Group, Jos Plateau State. While Tetrick, Wayne, Shore and Bommer (2002) found that taking away retirement benefits from employees' compensation had no effect on job satisfaction.

## Statement of the Problem

Employee reward is crucial for the success of tertiary institutions and the quality of services provided by lecturers to their students. Retaining high calibre business educators pose a serious challenge to many

tertiary institutions. Due to global competition for staff, it is often difficult for tertiary institutions in developing countries to retain indigenous staff with special skills and academic experience. Business educators in colleges of education seem not to be satisfied with their jobs. This may be subject to the fact that the financial rewards required for job satisfaction of business educators is not adequately provided by the institutions. Similarly, if these are not adequate, the well-being of business educators may be hampered, which may affect their job performance, the product they develop, job satisfaction and job retention. However, these Colleges of education in Edo and Delta states have continued to witness high rate of attrition of business educators.

These anomalies may not be unconnected with the financial reward systems in operation in these colleges. Since, the exodus of business educators from tertiary institutions to other sectors of the economy persists. Iyamu and Owenbiugie (2014) observed that tertiary institutions in Edo and Delta States offering business education programme lost 18 business educators to other organizations (8 in Edo State and 10 in Delta State).

This situation may become more serious when an organization loses valuable employees who are difficult to replace. If this trend of turnover continues unabated, colleges of education offering business education programme in Edo and Delta States may be adversely affected by high turnover of this set of workers. Is there any relationship between

financial rewards and job satisfaction of business educators?

## Purpose of the Study

The main purpose of the study was to investigate the influence of financial rewards on job satisfaction of business educators in colleges of education in Edo and Delta States.

Specifically, the study determined:

1. Salary and job satisfaction of business educators in colleges of education in Edo and Delta States.
2. Medical benefit and job satisfaction of business educators in colleges of education in Edo and Delta States.
3. Retirement benefits and job satisfaction of business educators in colleges of education in Edo and Delta States.

## Research Questions

The following research questions guided the study.

1. What is the influence of salary on job satisfaction of business educators in colleges of education in Edo and Delta States?
2. What is the influence of medical benefits on job satisfaction of business educators in colleges of education in Edo and Delta States?
3. What is the influence of retirement benefits on job satisfaction of business educators in colleges of education in Edo and Delta States?

## Hypotheses

The following hypotheses were tested at 0.05 level of significance.

1. Salary will not significantly influence job satisfaction of business educators in colleges of education in Edo and Delta States.

2. Medical benefits will not significantly influence job satisfaction of business educators in colleges of education in Edo and Delta States.
3. Retirement benefits will not significantly influence job satisfaction of business educators in colleges of education in Edo and Delta States.

## Significance of the Study

The findings of this study will be of immense benefit to tertiary institutions in Edo and Delta States, school administrators, business education lecturers, students, government, and employers of labour.

## Scope of the Study

The scope of this research work is limited to the issues of business educators' financial rewards with emphasis on salary, medical benefit, and retirement benefits in colleges of education in Edo and Delta States. In this regards, four colleges of education were focused on, the colleges of education are Mosogar, Warri, Asaba, Igueben and Agbor. Emphasis will be on business educators in colleges of education in Edo and Delta States.

## Theoretical Framework

The theoretical framework that underpinned this study is the theory of B.F. Skinner (1948): Operant conditioning, which explains the variables of reward and job satisfaction.

Burrhus Frederic Skinner commonly known as B.F. Skinner was born in 1904 and died in 1990. He was an American psychologist, behaviourist, author, inventor,

and social philosopher. He was a Professor of Psychology at Harvard University from 1958 until his retirement in 1974. Skinner's theory emphasized that there is a connection between the behaviour of an individual and its reinforcement. In Skinner's view, behaviour can be shaped by reinforcement and reinforcement is simply reward. He believed that the best way to understand behaviour is to look at the causes of an action and its consequences. He called this approach operant conditioning. Skinner is regarded as the father of Operant Conditioning, but his work was based on Thorndike's (1898) law of effect. According to this principle, behaviour that is followed by pleasant consequences is likely to be repeated, and behaviour followed by unpleasant consequences is less likely to be repeated. Behaviour which is reinforced (rewarded) tends to be repeated (strengthened) and behaviour which is not reinforced (rewarded) tends to extinguished (weakened).

### Design of the Study

The research design used in this study is correlational research design. A correlational research design measures two or more variables for establishing the extent of relationship or association. Correlation will be used to determine the influence of financial and non-financial rewards on business educators' job satisfaction. The design is considered appropriate for this study because the study seeks to examine the influence of rewards on job satisfaction of business educators in colleges of education in Edo and Delta States. In this study, the dependent variable is job satisfaction while the independent variables include financial

rewards (salary, medical benefits and retirement benefits).

### Population of the Study

The population of this study consists of all the one hundred and twenty-one (121) full time business education Lecturers in five Colleges of education in Edo and Delta States.

### Sample and Sampling Technique

The entire population of 121 was used for the study because the population is manageable hence a census.

### Research Instrument

In carrying out this study, the researcher employed the use of questionnaire titled "Financial Rewards Assessment Questionnaire" (FRAQ) with two sections in collecting relevant data necessary for the study. Section A consists of personal data of business educators such as sex, school section B consists of 21 items divided into 3 clusters to measure financial rewards on job satisfaction. The questionnaire items were developed by the researcher after a careful literature review. Cluster one consisted of questions on the perception of the respondents on the influence of salary, cluster two sought information on the influence of medical benefit, cluster three consisted of questions on the perception of the respondents on the influence of retirement benefits. The items of the questionnaire was measured using a four-point rating scale ranging from strongly disagree (4), disagree (3), agree (2), strongly agree (1).

### Validity of the Instrument

The instrument was subjected to validation by three experts, one expert in the Department of Vocational and Technical Education and two experts in Measurement and Evaluation, Department of EECP all in University of Benin. The corrections and suggestions of these experts formed the basis for the modification of the items on the instrument. These screening processes ensured the face and content validity of the instrument.

### Reliability of the Instrument

To ensure the reliability of the instrument, a trial test was carried out on 20 business educators in federal college of education (technical) Umunze, Anambra State who were not part of the study. The reliability of the instrument was determined using Cronbach's alpha method. This is to measure the degree of internal consistency of the instrument. Copies of the questionnaire for the pilot study were administered to twenty business educators. The data obtained from their responses was subjected to reliability analysis using the Cronbach's alpha statistics to determine the reliability coefficient of the instrument. The reliability coefficient obtained from the instrument was **0.82**. This shows that the items are internally consistent and stable. Therefore, the instrument was considered to have high enough reliability.

### Method of Data Collection

Copies of the instrument were administered to the respondents by the researcher with the help of five research assistants. The researcher instructed the research assistants who distributed and

collected the instrument on behalf of the researcher on what to do. The method helped in the immediate distribution and collection of the instrument to ensure high rate of return. A total of 121 questionnaires were administered and retrieved.

### Method of Data Analysis

The Statistical Package for Social Sciences (SPSS) was used for the analysis of data. The inferential statistical tools were used in analyzing the data. Hypotheses were analyzed using Pearson Product Moment Correlation Coefficient (PPMCC) to establish the relationship between the independent variable and the dependent variable of the study at **0.05** level of significance. For the hypotheses, the probability value, **p**-value was used. When **p**-value is less than or equal to **.05**, the null hypothesis was rejected but when the **p**-value is greater than **.05**, the null hypothesis was retained.

### Result/Findings

**Hypothesis One:** Salary will not significantly influence job satisfaction of business educators in colleges of education in Edo and Delta States.

Table 3: Pearson Correlation of Salary and Job Satisfaction

Variables	N	r	Sig. (2-tailed)
Salary			
Job Satisfaction	121	.567	.000

Table 3 shows a calculated **R** value of **.567** and a **P** value of **.000**. Testing at an alpha level **.05**, the **P** value is less than alpha level. So, the null hypothesis which states that salary

will not significantly influence job satisfaction of business educators in colleges of education in Edo and Delta States is rejected. Consequently, salary will significantly influence job satisfaction of business educators in colleges of education.

**Hypothesis Two:** Medical benefits will not significantly influence job satisfaction of business educators in colleges of education in Edo and Delta States.

Table 4: Pearson Correlation of Medical Benefits and Job Satisfaction

Variables	N	r	Sig. (2-tailed)
Medical Benefits			
Job Satisfaction	121	.538	.000

The analysis in Table 4 shows a calculated R value of .538 and a P value of .000. Testing at an alpha level .05, the P value is less than alpha level. The null hypothesis which states that medical benefits will not significantly influence job satisfaction of business educators in colleges of education in Edo and Delta States is rejected. It therefore means that medical benefits will significantly influence job satisfaction of business educators in colleges of education.

**Hypothesis Three:** Retirement benefits will not significantly influence job satisfaction of business educators in colleges of education in Edo and Delta States.

Table 5: Pearson Correlation of Retirement Benefits and Job Satisfaction

Variables	N	r	Sig. (2-tailed)
Retirement Benefits			
Job Satisfaction	121	.499	.000

The analysis in Table 5 shows a calculated R value of .499 and a P value of .000. Testing at an alpha level .05, the P value is less than alpha level. The null hypothesis which states that retirement benefits will not significantly influence job satisfaction of business educators in colleges of education in Edo and Delta States is rejected. It therefore means that retirement benefits will significantly influence job satisfaction of business educators in colleges of education.

## Discussion of Findings

The findings of hypothesis one indicated that salary significantly influence job satisfaction of Business Educators in Colleges of Education in Edo and Delta States. Therefore, the null hypothesis which states that salary will not significantly influence job satisfaction of business educators' in Edo and Delta States is hereby rejected and the alternate hypothesis is accepted. Thus, there is a significant influence of salary on business educators' job satisfaction in colleges of education in Edo and Delta States. The implication of this is that when there is an increase in the salary given to business educators' there is also a corresponding increase in business educator's job satisfaction. This implies that when there is an increase in salary there is a significant increase in job satisfaction of business educators. In addition, the p-value was 0.000, which was less than the significance level (0.05).

Salary is one of the most important reasons for which people work and continue to work. It satisfies the wants and needs of the employees thus, employers and human

resource managers have relied on the motivational power of salary (money) to attract, motivate, and retain employees. Salary is a major component of the compensation process, which is aimed at reimbursing employees for their work and motivating them to perform to the best of their abilities. This finding corroborates with that of Judge et al., (2010) who also established positive and significant correlation between salary and job satisfaction. However, this finding does not support the work of Salisu, Chinyio and Suresh (2015) states that the salary paid to public sector workers and teachers in Nigeria has no significant relationship with job satisfaction.

The findings of hypothesis two showed that medical benefits significantly influence job satisfaction of Business Educators in Colleges of Education in Edo and Delta States. Therefore, the null hypothesis which states that medical benefits will not significantly influence job satisfaction of business educators' in Edo and Delta States is hereby rejected and the alternate hypothesis is accepted. Thus, medical benefits will significantly influence job satisfaction of business educators' in colleges of education in Edo and Delta States. The implication of this is that the higher the medical benefits given to business educators' the higher the job satisfaction of business educators.

This finding is in agreement with that of Lahman (2014) who stressed that an increase in employees medical benefit would actually generate an increase in job satisfaction. This is so because an institution that provides medical benefits for its employees would increase their

job satisfaction. Obalum and Fiberesima (2012), asserted that the Nigerian employees place value on employers who grant medical allowances as incentive.

Hypothesis three revealed that retirement benefits significantly influence job satisfaction of Business Educators in Colleges of Education in Edo and Delta States. This implies that the null hypothesis which states that retirement benefits will not significantly influence job satisfaction of business educators' in Edo and Delta States is hereby rejected and the alternate hypothesis is accepted. Thus, retirement benefits will significantly influence job satisfaction of business educators' in colleges of education in Edo and Delta States. The implication of this is that when there is an increase in retirement benefits of business educators' there is also a corresponding increase in the job satisfaction business educators'.

This finding is in line with that of Salisu, Chinyio and Suresh, (2015), Zirra, Charles, and Anyatonwu (2019) who found that there is significant relationship between gratuity payment which is part of retirement benefits and jobs satisfaction of public sector construction workers in Jigawa state, Nigeria and Nasco Group, Jos Plateau State. This suggests that when workers receive reasonable lamp sum in form of gratuity led to the satisfaction of their various needs on retirement. However, this finding does not support the work of Tetrick, Wayne, Shore and Bommer (2002) who found that taking away retirement benefits from employees' compensation had no effect on job satisfaction. Majority of the employees stated that they do

not enjoy pension despite the labour laws for pension contribution for all workers in both public and private sectors.

## Conclusion

Based on the findings of the study, it was concluded that financial rewards influence business educators' job satisfaction in colleges of education in Edo and Delta States. The study revealed that salary, medical benefits and retirement benefits had positive impacts on business educators' job satisfaction. Therefore, if salary, medical benefits and retirement benefits and are utilized, job satisfaction of business educators in colleges of education in Edo and Delta States would be sustained.

## Recommendations

Based on the findings of the study and the conclusion, the following recommendations were made:

1. College management should ensure regular payment of salary and increments where necessary. There should be a review of lecturers' salary considering the high cost of living our country.
2. College management should provide a comprehensive medical health scheme package for business educators in colleges of education.
3. College management should adhere to labour policy for pension contribution and early payment of retirement benefits to business educators.

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